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Senator Sue Boyce
Chair, Senate Standing Committees on Community Affairs, Legislation Committee
Inquiry into the Health Workforce Australia (Abolition) Bill 2014
PO Box 6100
Parliament House
Canberra ACT 2600

By email: community.affairs.sen@aph.gov.au

Dear Senator Boyce,

Inquiry into the *Health Workforce Australia (Abolition) Bill 2014 (Cth)*

The University of Sydney is pleased to provide the Committee with the **attached** brief submission on the proposed abolition of Health Workforce Australia (HWA).

In doing so, we also take the opportunity to alert the Committee to relevant research just released by the University of Sydney.

Our comments are intended to complement those that will be made by Universities Australia on behalf of the university sector as whole. Health professional education is a core interest and strength of the University of Sydney (we offer degrees in 14 professional health disciplines to more than 6,000 full time equivalent students annually). I also have a particular interest in health workforce issues in my role as Chair of the Universities Australia Health Professions Education Standing Group.

The University's basic position on the Bill is that while it is the prerogative of the government of the day (subject to Parliament's approval) to determine how taxpayers' funds are allocated and expended, some of the functions performed by HWA have been valuable and should continue through the Commonwealth Department of Health.

We see genuine risks to the future quality and sustainability of Australia's health workforce education system arising from current and proposed reforms to the health and higher education sectors. We feel, however, that these risks can be managed if robust arrangements are put in place by the Commonwealth to minimise unintended consequences from policy reforms that impact multiple sectors. Action is also needed to ensure there is constructive dialogue and capacity for collaboration between key stakeholders in government, health services, the professions and the education sector.

The challenges Australia faces in meeting the future needs of its growing population are widely acknowledged to be substantial. It would be a great shame if the effort to return the budget to surplus in the short term reduces our capacity to meet these challenges cost-effectively in the long term.

Yours sincerely

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University of Sydney Submission to the Inquiry into the *Health Workforce Australia (Abolition) Bill 2014 (Cth)*, June 2014

Summary

It is our observation that some HWA functions and programs are making a real difference to the national system of health workforce education. As many of these initiatives as possible should be continued if HWA is absorbed into the Commonwealth Department of Health as proposed.

Regardless of what happens to HWA there is a critical need for a mechanism to coordinate national health workforce planning, priority and policy setting. This mechanism needs to include structures and processes for bringing together Commonwealth, state and territory governments, health services, the professions and education providers to identify key challenges and find ways to work in partnership to address them.

The University of Sydney has recently released research on the key trends and challenges facing the national system of health professional education. This scoping study (**see item 2 and Appendix A below**) may provide useful background for the Committee as it considers the HWA Abolition Bill.

Universities Australia has a representative group, the Health Professions Education Standing Group, which exists in part to coordinate the university sector's engagement with governments and other stakeholders on health workforce education matters. Dr Michael Spence, Vice-Chancellor, the University of Sydney chairs this group. Dr Spence and members of the group would be happy to assist the Committee with its inquiry into the Bill as required.

1. Key functions of HWA that should be preserved

The University's basic position on the Bill is that while it is the prerogative of the government of the day (subject to Parliament's approval) to determine how taxpayers' funds are allocated and expended, some of the functions performed by HWA have been highly valuable and should continue through the Commonwealth Department of Health. These include:

- the establishment for the first time of a clear framework and collaborative administrative structure to develop and implement a strategy (agreed between the Commonwealth, states and territories) to address the nation's future health workforce challenges
- comprehensive and sophisticated health workforce data capture and analysis capacity, to enable health workforce modelling and support planning
- programs to enhance clinical education quality and encourage innovation (including supervision quality, simulated learning and new models of work-integrated learning such as interdisciplinary student-led services)
- initiatives that brought stakeholders from the government, health and education sectors together to identify key barriers to improved clinical education and health workforce development, and to share information about best practice.

It is well known that Australia's health system will face serious capacity and financial and other challenges over the coming decades. As the McKeon Strategic Review of Health and Medical Research found recently, a key part of any strategy to contain costs must be enhancing efficiency and productivity through a constant focus on innovation. While health and medical research is critical to innovation (recognised by the Government through other measures in the 2014-15



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Budget) the translation of research finding into better patient and community health outcomes depends on the capacity, knowledge and skills of staff at many levels in the health system.

Reducing public funding for health workforce capacity building and innovation may deliver budget savings in the short term. There is a risk, however, that longer term the system will be more costly and less efficient due to an overall reduction in capacity for innovation and data capture.

Finally, two major benefits of HWA's establishment were the way it raised the profile of health workforce issues generally, and the framework it created for governments, health services and education providers to work together in partnership to identify and address the nation's most pressing health workforce challenges.

Once HWA's functions are absorbed into the Commonwealth Department of Health, it will be important for alternative arrangements to be put in place to raise the profile of health workforce issues, and facilitate cross-departmental (health and education), cross-jurisdictional, and cross-sectoral (public/private health and education providers) dialogue and collaboration.

2. Recent relevant University of Sydney Research that may be of interest to the Committee

The University of Sydney has recently released research of relevance to the HWA Abolition Bill.

Student clinical education in Australia: a University of Sydney Scoping Study (Buchanan J. et al 2014) is the result of a six month research project undertaken by our Workplace Research Centre in an effort to deepen the University's understanding of the key trends and challenges facing health education in Australia.

Both our health and higher education sectors have experienced major policy and funding changes in the last five years. Key reforms affecting the national system of health workforce education have been the introduction of Activity Based Funding (ABF) in public hospitals and of demand-driven funding for bachelor degree university courses. The combined result of these and related measures has been a much greater focus on costs, at a time when the number of students requiring access to clinical placements has increased dramatically.

There have been some unforeseen consequences such as health services in some jurisdictions seeking to charge universities and other education providers in return for student clinical placements. In this context there has been much focus on the burden and costs to workplaces of hosting students, but much less attention given to the benefits that flow directly and indirectly to workplaces and also to the community. The research we commissioned sought to identify these diverse benefits and explore policy options to ensure the system remains strong.

A one page summary of the report's key findings is attached (**Appendix A**). The full report is available at: <http://sydney.edu.au/business/workplaceresearch>

As the Parliament considers the Government's HWA Abolition Bill, and prepares to scrutinise further significant reforms to health and higher education funding, it is important that careful thought is given to the likely combined impacts of these reforms on the future cost, capacity and quality of the health workforce education system.

Our research suggests there is a genuine risk that the combination of recent and proposed reforms to the health and higher education sectors could have the unintended consequence of further straining the collaboration and goodwill that has underpinned Australia's system of health education for decades.

These risks can be managed, however, if proposed deregulatory reforms are accompanied by appropriate policies and regulations governing clinical placements. In this regard we are pleased that the Minister for Health has recently committed to talking with Education Minister, Christopher Pyne, about the need for coordination in policy setting between their two departments, and about a new mechanism to facilitate dialogue about health workforce issues between all key stakeholders.



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3. Universities Australia Health Professions Education Standing Group

The HPESG includes representatives of the major national health deans' committees and other senior university leaders selected for their expertise and commitment to health professions education. The key aim of the group is to strengthen the capacity of Australia's universities to work with governments and other partners to address the significant health workforce challenges the nation faces.

The HPESG brings a unique, and critical, perspective to deliberations on health and education strategy and policy. There is no similar group that represents the Australian university sector on matters of health workforce education so comprehensively, or that is able to provide the coherent and authoritative perspective of the HPESG.

In November 2013 the HPESG released the **attached** draft set of policy principles to secure Australia's health workforce needs. The challenges the system faces remain the same now as they were in 2013.

If HWA is abolished, it will be critical to ensure that sound arrangements are established to enable the Commonwealth, states, health services, the professions and education providers to work together in the interests of strengthening the health workforce education system.

Members of the HPESG would be pleased to discuss issues arising from the HWA Abolition Bill with the Committee if that would be helpful.

Appendices

- A **Summary of:** Buchanan, J., Jenkins, S., and Scott, L., *Student Clinical Education in Australia: A University of Sydney Scoping Study*, The University of Sydney, Australia, May 2014
- B **Universities Australia Health Professions Education Standing Group statement:** *Securing Australia's Future Health Workforce Needs, November 2013*



Appendix A

Student Clinical Education in Australia: a University of Sydney Scoping Study

Key findings

1. Growth in the health workforce and demand for student clinical placements

The health sector has been one of the fastest growing segments of Australia's labour market, doubling in size over the last decade. The economy's strong demand for university health graduates, combined with reforms to Australia's higher education and health systems, has led to a doubling of students enrolled in relevant university courses. Between 2009 and 2012 alone there was a 25% increase in students commencing university level studies in the health fields. This large and rapid growth has placed significant pressure on the public health system in particular, which remains responsible for the vast majority (74%) of total clinical placement activity (34.5 million student placement hours in 2012).

2. Large benefits flow to health services and the community from student clinical placements

The report finds that the benefits of clinical placements fall into six categories:

- the provision of direct clinical services;
- the provision of indirect clinical services;
- support in meeting the key human resource requirements of health workplaces;
- improving the quality, efficiency and retention of health professionals engaged in clinical education;
- innovative practice arising from research relationships with the University or projects initiated as a result of clinical placements;
- benefits of a systemic nature, especially in the production of a highly skilled and flexible workforce.

While the benefits of clinical placements are extensive they are poorly documented and difficult to quantify.

3. There is great diversity in clinical education practice across the health professions

The report describes how clinical education is provided in each of the health professional programs offered by the University. It uses this understanding to develop a framework to classify the diversity of practice evident across the professions.

4. Maintaining goodwill is critical to the sustainability of the health education system

The report notes that traditional models for renewing the health professions have relied on the goodwill of many players – students, public and private health services, clinicians, universities, and professional accreditation bodies. It warns of the risks to the affordability, capacity and sustainability of the national system of clinical education if the goodwill on which it depends is eroded or lost. The shift to Activity Based Funding for public hospital services generally (currently underway) and for teaching, training and research specifically (currently under consideration) are identified as key challenges to the maintenance of goodwill. A pre-occupation with cost itemisation and the widespread introduction of fee for service models is likely to compromise the benefits that health services derive from collaborative relationships with universities.

5. Future directions for policy and funding

The report finds that Australia's system of clinical education has reached a critical point in its evolution, with rapid growth, funding and other pressures threatening its sustainability. The report explores four policy options for the future, concluding that the best way forward requires the development of a new partnership between key stakeholders responsible for the quality, quantity and resourcing of student clinical placements: "In identifying more sustainable arrangements, attention needs to be devoted to:

- a) how best to preserve the goodwill that is integral to clinical placements;
- b) how to find a sustainable funding base for the operations and contributions of the parties involved in clinical placements; and
- c) how to involve all parties in the formation of a new compact as appropriate...

The University sector has a key role to play in drawing attention to new realities and identifying more creative ways than are currently emerging to solve the challenges."



26 November 2013

SECURING AUSTRALIA'S FUTURE HEALTH WORKFORCE NEEDS

AUSTRALIA'S CLINICAL EDUCATION SYSTEM IS UNDER SEVERE STRAIN, THREATENING THE FUTURE OF OUR HEALTH WORKFORCE

UNIVERSITIES AUSTRALIA CALLS FOR STATE, TERRITORY AND FEDERAL GOVERNMENTS TO TACKLE THIS ISSUE IN PARTNERSHIP WITH EDUCATION PROVIDERS AND THE PROFESSIONS

TO ASSIST THIS PROCESS UNIVERSITIES AUSTRALIA HAS DEVELOPED POLICY PRINCIPLES IT BELIEVES ARE NECESSARY TO UNDERPIN WORKFORCE EDUCATION AND SECURE THE FUTURE OF OUR HEALTH SYSTEM

Australia's health workforce challenge

Australia's challenge is to produce a future health workforce capable of delivering high-quality affordable healthcare for a growing, ageing population which is facing an increased burden of chronic disease. We must meet this challenge in an environment of rising healthcare costs and budgetary pressures faced by all stakeholders who must contribute to the solution.

In 2010 the Commonwealth Government released *Australia to 2050: future challenges* which showed total Australian Government spending on health is projected to grow from 4.0 per cent of GDP in 2009-10 to 7.1 per cent of GDP by 2049-50. Containing costs without compromising quality will mean making the most of our healthcare capacity – producing enough health professionals with the skills to sustain a coherent and integrated health system. We need to look at doing things differently.

For health professionals, an essential part of their education is workplace training, or "clinical education". This mostly takes place within our public health system, in close collaboration with universities and other education providers. But budgetary pressures on both public health services and education providers mean the collaboration is coming under severe pressure. The situation is naturally straining relations between health services, health professionals and education providers. Unfortunately, we are at serious risk of pushing groups into putting self-preservation ahead of the public good and the collaboration that has underpinned the system to date. When it comes to producing our health workforce of the future, we need to work together and stop the trend to buck-passing and cost-shifting. If we continue along our current path we will fail our students, our health professionals and all Australians who will rely on our health system.

Time for federal and state governments, educators and professions to address the issue together

Federal, State and Territory governments have all taken essential steps to reform the health education system. However, structural problems remain embedded in our policy and funding arrangements for clinical education. These include a lack of co-ordination. Universities are encouraged to enrol more students in vital health professions but lack certainty that public and private health systems have capacity or are willing to absorb this increased training load. The establishment of Health Workforce Australia was part of a broader effort to secure a more strategic national approach. That work must be drawn on and taken to a new level to enhance collaboration and coordination across all levels of government, education providers and the professions.

Universities Australia believes a new approach to health workforce education is required and that inclusive and collaborative federalism is needed.

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Australia's universities educate most of the health workforce. We are keen to play our part in building a better national health system. To this end, Universities Australia offers to work constructively to address these issues and proposes the following policy principles to stimulate national discussion about how we ensure Australia has an effective, high quality and sustainable health workforce in the future.

POLICY PRINCIPLES TO SECURE AUSTRALIA'S FUTURE HEALTH WORKFORCE NEEDS

Quality & capacity

Our system of clinical education must:

- have the interests of patients and students at its heart
- deliver enough healthcare professionals to meet the community's future needs wherever they are, and to contribute to an improvement in health workforce distribution
- ensure quality of learning that delivers proficient and competent practice
- expose students to contemporary and innovative practice in a breadth of educational environments and clinical settings
- encourage and enable collaboration between the professions and recognise the symbiotic relationship between learning, service delivery and research
- prepare students to work in dynamic environments and equip them to manage change in the burden of disease, emerging treatment options and health care priorities.

Responsibility and oversight

Our approach to clinical education must:

- recognise that to be effective the clinical education system must be integrated and well-coordinated between and across sectors from the national to local level
- be a collaborative partnership and recognise that responsibility for meeting the nation's future health workforce needs is shared by governments, education providers, communities, public and private health care providers, the professions and students
- recognise that integrated clinical education, health care delivery and research improve quality and safety of care, productivity and patient and public health outcomes.

Funding

Policy and funding to support clinical education must:

- be as simple, direct and transparent as possible
- enable and encourage capacity-building, quality improvement and innovation
- recognise the actual costs and benefits of clinical education
- reflect the mutual responsibility of all parties (governments, education providers, communities, public and private health care providers, the professions and students)
- be based on efficient and effective education pathways that preserve and improve quality, student and patient safety.

This statement of principles was prepared by Universities Australia's Health Professions Education Standing Group (HPESG). The HPESG represents the university sector's interests in educating Australia's future health workforce. The Group provides advice on the impact of health and education policies on our capacity to deliver high quality and sustainable education in this vital area.